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*Attorneys for Gateway Center, LLC*

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH

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In Re: ) Bankruptcy Case No. 09-29905  
 ) Jointly Administered with Cases 09-29907  
 ) and 09-29908  
 )  
EASY STREET HOLDING, LLC, *et al.* ) Chapter 11  
 )  
Debtors. ) Honorable R. Kimball Mosier  
 )  
 ) **GATEWAY CENTER, LLC'S  
OBJECTION TO WRONA LAW  
FIRM'S FIFTH FEE APPLICATION**  
 )  
 )

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Gateway Center, LLC (“**Gateway**”), through its attorneys Fabian & Clendenin, pursuant to the *Order Approving Motion and Establishing Monthly Fee and Expense Reimbursement Procedures* dated December 15, 2009 [Dkt. 271], objects to the *Wrona Law Firm's Fifth Professional Fee Request for the Period from March 1, 2010 to March 31, 2010* [Dkt. 424] (the “**Fifth Wrona Fee Application**”) as follows:

1. Debtors Easy Street Partners, LLC, Easy Street Mezzanine, LLC, and Easy Street Holding, LLC (collectively, the “**Debtors**”) are debtors-in-possession in the above-entitled jointly administered Chapter 11 cases.

2. On October 19, 2009, the Debtors filed an application [Dkt. 102] to employ the Wrona Law Offices, LLC (“**Wrona**”) as special counsel.

3. The application requested that the Debtors be authorized to employ Wrona as special counsel to provide a very broad scope of services:

The specific services which may be provided by Wrona Law Offices are:

- a. Advising the Debtors on litigation, bankruptcy and financing matters, including the negotiation and structure of debtor-in-possession financing;
- b. Representing the Debtors in connection with this proceeding, including adversarial actions within this proceeding; and
- c. Representing and advising Debtors with regard to issues related to the complex relationships within Debtor’s [sic] organization, and between Debtor [sic] and its [sic] fractional interest unit owners.

Application [Dkt. 102], at ¶ 12.

4. The Declaration of Joseph E. Wrona [Dkt. 103] filed in support of the application to employ the Wrona Law Offices stated that Wrona has provided legal representation to Cloud Nine Resorts Management, LLC, but affirmatively states that Wrona “does not currently represent any party in interest in any matter related to the Debtor.” *Id.* at ¶¶ 4 & 4.a.

5. The Court granted the Debtors’ application to employ Wrona by Order dated December 15, 2009. [Dkt. No. 218].

6. In January 2009, Debtor Easy Street Partners, LLC (“**Partners**”) agreed to assume the interest in and obligations of Cloudnine Resorts, LLC (“**Cloudnine**”) as lessee under lease (“**Lease**”) of real property located in Park City, Utah, that Cloudnine was leasing from Gateway.

7. Cloudnine as the original lessee was not released from liability under the Lease when Partners agreed to assume it. Cloudnine is an affiliate of Partners, and is controlled by Partners’ principal and managing member, William Shoaf (“**Shoaf**”).

8. Shoaf executed a personal guaranty of the obligations of Cloudnine and Partners under the Lease in which Shoaf obligated himself to Gateway in his individual capacity.

9. On March 11, 2010, Gateway filed a lawsuit against Cloudnine and Shoaf in Third District Court for Summit County, Utah, seeking damages for their obligations under the Lease and personal guaranty, respectively, *Gateway Center, LLC v. Cloudnine Resorts, LLC and William Shoaf*, Civil No. 100500193 (the “**State Court Lawsuit**”).

10. Wrona represents Cloudnine and Shoaf in the State Court Lawsuit. On April 13, 2010, Wrona, acting as counsel for defendants Cloudnine and Shoaf, executed a *Stipulation to Extend Time for Defendants to Respond to the Complaint* (“**State Court Stipulation**”). A copy of the State Court Stipulation is attached hereto as **Exhibit “A.”**

11. On April 12, 2010, Wrona filed the Fifth Wrona Fee Application for the period March 1, 2010 through March 31, 2010. The detailed time entries attached to application include several entries in which Wrona is reviewing the complaint in the State Court Lawsuit with Shoaf or is analyzing the Gateway matter. See time entries dated March 15, March 24, and March 29, 2010.

12. Wrona's representation of Shoaf and Cloudnine in the State Court Lawsuit regarding the Lease with Gateway constitutes the representation of an interest adverse to the estate with respect to which Wrona has been employed within the meaning of 11 U.S.C. § 327(e).

13. Gateway objects to the Fifth Wrona Fee Application on the grounds that Wrona is not disinterested with respect to a matter on which he is employed.

WHEREFORE, Gateway prays for entry of an Order:

A. Denying the Fifth Wrona Fee Application in its entirety on the grounds that Wrona is not disinterested on a matter on which he has been representing the estate; and

B. For such other and further relief as the Court deems just and equitable.

DATED this 23<sup>rd</sup> day of April, 2010.

/s/ Douglas J. Payne  
Douglas J. Payne  
Robert G. Crockett  
**FABIAN & CLENDENIN**  
A Professional Corporation  
*Attorneys for Gateway Center, LLC*

### CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via ECF Notification, on the following:

Troy J. Aramburu	taramburu@joneswaldo.com, rhuot@joneswaldo.com
Michael V. Blumenthal	mblumenthal@crowell.com
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United States Trustee	USTPRegion19.SK. ECF@usdoj.gov
Kim R. Wilson	bankruptcy_krw@scmlaw.com

I further certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via first-class mail, facsimile, and e-mail on the following:

Corbin B. Gordon  
Corbin B. Gordon, P.C.  
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Joseph E. Wrona  
Wrona Law Firm, P.C.  
1745 Sidewinder Drive  
Park City, UT 84060  
E-mail: [wrona@wasatchlaw.com](mailto:wrona@wasatchlaw.com)  
Fax: (435) 649-5959

I further certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via first-class mail, on the following:

Easy Street Partners, LLC  
4780 Winchester Court  
Park City, UT 84098

/s/ Douglas J. Payne

ND: 4815-7019-8790, v. 1

## **EXHIBIT “A”**

Robert G. Crockett (A12067)  
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IN THE THIRD JUDICIAL DISTRICT COURT

SUMMIT COUNTY, STATE OF UTAH

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GATEWAY CENTER, LLC, a Utah limited liability company,

Plaintiff,

v.

CLOUDNINE RESORTS, LLC, a Utah limited liability company; WILLIAM SHOAF, an individual,

Defendants.

**STIPULATION TO EXTEND TIME FOR DEFENDANTS TO RESPOND TO THE COMPLAINT**

Civil No. 100500193

Judge Bruce Lubeck

Robert G. Crockett, counsel for Plaintiff Gateway Center, LLC, and Joseph E. Wrona, counsel for Defendants Cloudnine Resorts, LLC and William Shoaf (collectively "Defendants") hereby stipulate that Defendants' time to respond to Plaintiff's Complaint is extended until seven (7) calendar days following the receipt of written notice from the Plaintiff to Defendants stating the need to respond.

The parties further stipulate that Defendants will give Plaintiff seven (7) days written notice prior to filing an answer or other response to the Complaint if Plaintiff has not yet required a response.

DATED this 9<sup>th</sup> day of April, 2010.



Robert G. Crockett  
Diane H. Banks  
FABIAN & CLENDENIN,  
a Professional Corporation  
Attorneys for Plaintiff

DATED this 13<sup>th</sup> day of April, 2010.

  
Joseph E. Wrona  
WRONA LAW FIRM  
Attorneys for Defendants

4827-5842-3813, v. 1

CERTIFICATE OF SERVICE

I hereby certify that on this 13<sup>th</sup> day of April, 2010, I caused the foregoing **STIPULATION TO EXTEND TIME FOR DEFENDANTS TO RESPOND TO THE COMPLAINT** to be served via United States Mail, first class postage pre-paid, a true and correct copy to:

Robert G. Crockett  
Diane H. Banks  
FABIAN & CLENDENIN  
215 South State Street, Suite 1200  
Salt Lake City, Utah 84111-2323

Frances Ware